

## **APPENDIX C: GLOSSARY**

TERM	DEFINITION	SOURCE	PIDD
ABANDONED	Termination of all current, planned use, or operation of any facility in a specified Accounting Unit for production.	SOA	
ACCOUNTING UNIT	<p>An "Accounting Unit" is any Operation, Lease, Unit, Participating Area, or subportion thereof which constitutes a single production, financial, and reporting entity from which a petroleum product is produced or processed for any length of time.</p> <p>Accounting Unit - This code and description identifies a point at which the accumulation of production volumes is measured. This includes participating areas, unit operations, lease operations, and production facilities. Examples of this include PRUD for Prudhoe Bay, LISB for Lisburne Production Facility, and IVAN for Ivan River.</p>	SOA	
ACCOUNTING UNIT CODE	The code that has been assigned to the operation, lease, or unit by the State of Alaska to indicate a specific accounting entity, process or view.	SOA	
ADDRESS	The location at which someone or something may be found. (ALSO Address 1, Address 2.)	REGS-3	
ADVANCE RENTAL CREDIT	Money/property paid in advance of the lease year to retain the mineral interest in the lease in the absence of drilling or production of minerals. SEE ALSO: Rental; Delayed Rental.	PIDD	P0002762
ALLOCATION CODE	Used to indicate a valuation related designation to a quantity, value, or amount. Such designation help to describe or relate associated information.	SOA	
AMOUNT	Expresses a U.S. dollar payment that is due or has been paid.	SOA	
AMOUNT ELECTRONICALLY TRANSFERRED	Specifies the dollar amount that was transferred between financial institutions.	SOA	

TERM	DEFINITION	SOURCE	PIDD
API GRAVITY	Specific Gravity measured in degrees on the American Petroleum Institute scale. The specific gravity of oil is normally specified not as a fraction in relation to water taken at the figure "1", but in terms of API degrees. On the API scale, oil with the least specific gravity has the highest API gravity. Other things being equal, the higher the API gravity, the greater the value of the oil. Most oils range from 27 degrees to 35 degrees API gravity.	MO&GT-7 <sup>TH</sup>	
AUTHORIZED DATE	Specifies the date that the report or other item was official published, certified or paid.	SOA	
AUTHORIZED SIGNATURE	Person who specified the that the report or other item was officially published, certified or paid.	SOA	
AUTHORIZED SIGNATURE (NAME)	(Name of) A person assigned by the employer to perform or supervise the performance of a specific type of duty or duties or to be at a specific location(s) at the work site. (ALSO Authorizing Official).	REGS-13	P0004215
BARREL	A standard measure of volume for crude oil and liquid petroleum products. One barrel equals 42 U.S. gallons.	NOGA-1989	
BBL	SEE ALSO: BARREL		
BRITISH THERMAL UNIT	The quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.	PIDD	P0003930
BS&W	This term refers to basic sediment and water and is commonly used as a measure of treating performance. Treating performance is highly variable, but most crude oils are treated to a range of 0.2 to 3.0 percent BS&W. ASTM Standard Test No. D96-82 entitled Water and Sediment in Crude Oils is an accepted standard for this test. The BS7W should be reduced to a very small percentage before delivery to a crude oil purchaser.	PIDD	P0003028
BS7W PERCENT	The percent of basic sediments and water contained in the total liquids produced.	PIDD	P0000184
BTU	Abbreviation of British Thermal Unit. SEE ALSO: BRITISH THERMAL UNIT.	PIDD	P0003930

TERM	DEFINITION	SOURCE	PIDD
BUSINESS CYCLE	The period during which oil and gas production, valuation and payment are conducted for a specified period of time. In the case of Alaska Royalty Reporting, a regular Business Cycle is from the first calendar day of the calendar month to the last calendar day of the calendar month.	SOA	
CITY	The city name of a location for an individual or company.	PIDD REGS-18	P0007038
CONTRACT PRICE	The initial rate used to calculate a contract minimum price.	PIDD	P0002712
CONTROL NUMBER	The unique number (comprised of the State of Alaska, Department of Natural Resources Customer ID and the month year the payment is made) assigned to each payment made to the State of Alaska for royalties or net profit share payments.	SOA	
CRUDE OIL	A mixture of varying proportions of hydrocarbons, natural gas, and entrained sediments and water. Crude oil exists in the liquid phase in natural underground reservoirs and remains a liquid at atmospheric pressure and 60 degrees Fahrenheit. SEE ALSO: LIVE OIL	PIDD	P0000551
CURRENT PRODUCTION MONTH	The 'Current Production Month' for royalty or production month reporting refers to the month one month prior, for example: If the current calendar month is February, the 'Current Production Month' being reported would be January. The 'Current Production Month' for March would be February, the 'Current Production Month' for April would be March, and so forth.	SOA	
CUSTOMER ID	The number assigned by the reporting party to the particular entry required by the regulatory agency, and used primarily to assist the reporting party in relating their database to regulatory agencies.	REGS-25	
DEHYDRATION	Removal of water from fluid produced from oil wells.	MO&GT-7 <sup>TH</sup>	

TERM	DEFINITION	SOURCE	PIDD
DISPOSITION CODE	A Disposition Code indicates how the Product is being dispersed of, either through use on or transport from the Accounting Unit. Examples of Disposition Codes for the Gas Group are: lease fuel, transmission line, vented, gas lift, etc. The Disposition code also applies to the monthly (disposition) volume of oil, gas or condensate that has been produced from the Accounting Unit. It may include quantities such as lost, injected, flared, used on lease, etc. A list of Disposition Codes can be found in Appendix B-7 of these instructions.	SOA	
FAX NUMBER	The specified telephone number to be dialed for transmitting a "FAX" type document.	SOA	
FIELD	<p>The general area underlaid by one or more pools. The words "filed" and "pool" mean the same thing when only one underground reservoir is involved: however, "field," unlike "pool," may relate to two or more pools.</p> <p>The Supreme Court of Texas has observed that "The word "field" as used in the oil industry has a meaning which is usually determined from the context in which it is used. It may refer to a certain geographical area from which oil is produced or it may be restricted to a particular reservoir."</p> <p>The word "field" holds special meaning as interpreted in Alaska oil and gas law and is not generally used when referring to royalty reporting.</p>	<p>MO&amp;GT-7<sup>TH</sup></p> <p>SOA</p>	
FLARING OF GAS	The burning of gas in the field as a means of disposal when there is no market for the gas and the operator does not elect (or cannot) use the gas for a non-wasteful purpose.	MO&GT-7 <sup>TH</sup>	
GAS	"Any fluid, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarefied state at ordinary temperature and pressure conditions. In the Oil and gas industries, it means natural gas	MO&GT-7 <sup>TH</sup>	
GRAVITY DIFFERENTIAL	A differential in the price of oil from a given source from the Marker Price of Benchmark crude based upon the relative gravity of the crude in question and that of benchmark crude. "The gravity differential is about 10 cents per barrel per degree of API gravity."	MO&GT-7 <sup>TH</sup>	

TERM	DEFINITION	SOURCE	PIDD
INTEREST	The monetary compensation charged for over/under paid amounts, usually calculated by applying a predetermined rate and method.	SOA	
LACT	Abbreviation for Lease Automatic Custody Transfer meter. SEE ALSO: LEASE AUTOMATIC CUSTODY TRANSFER	MO&GT-7 <sup>TH</sup>	
LEASE AUTOMATIC CUSTODY TRANSFER	A completely automatic gauging system to take readings for volume, temperature, gravity and amount of foreign matter when a new batch of oil leaves a tank and enters a pipeline.	MO&GT-7 <sup>th</sup>	
LEASE NUMBER	The number assigned to a lease by the regulatory agency having jurisdiction over mineral activity in the territory where the lease is located.	REGS-867	
LEASE TYPE	Specifies the type of the original State of Alaska/Division of Oil and Gas lease agreement issued to a lessee under which quantities are reported and/or paid.	SOA	
LEASE USAGE – FUEL (GAS) (DISPOSITION CODE 0041)	The volume of gas used on the producing lease, or leases included in a unitized set of leases, that is used as fuel for lease operations.	SOA	
LEASE USAGE – UNSPECIFIED (GAS) (DISPOSITION CODE 0042)	The volume of gas used on the producing lease, or leases included in a unitized set of leases, that is used for lease operations for uses other than fuel.	SOA	
LESSEE NAME	The name of the company or individual that owns the lease.	SOA	
LINE NUMBER	The number of the record of information provided in an electronic or paper filed Royalty Report.	SOA	
LOAD DIESEL	Oil used to clean production equipment within the unit.  Royalty is generally not due on this oil.	NOGA-1989  SOA	
MCF	Thousand cubic feet (is generally used as a measure of a volume of gas.) The standard unit for measuring the volume of natural gas.	MO&GT-7 <sup>TH</sup>	

TERM	DEFINITION	SOURCE	PIDD
NATURAL GAS	Hydrocarbons, which at atmospheric condition of temperature and pressure are in a gaseous phase.	MO&GT-7 <sup>TH</sup>	
NATURAL GAS LIQUIDS	Hydrocarbons found in natural gas that may be extracted or isolated as Liquefied Petroleum Gas.	MO&GT-7 <sup>TH</sup>	
NET PROFIT SHARE LEASE	An Outer Continental Shelf lease that provides for payment to the United States of a percentage share of the net profits for production of oil and gas from the tract.	MO&GT-7 <sup>TH</sup>	
NET WORKING INTEREST	The effective working interest of an owner. The operating interest under an oil and gas lease. The owner of the working interest has the exclusive right to exploit the minerals on the land based on a signed approved lease agreement.	SOA	
NPSL	Abbreviation for Net Profit Share Lease. SEE ALSO: NET PROFIT SHARE LEASE.	MO&GT-7 <sup>TH</sup>	
OFFTAKE PERCENT	A term employed in numerous agreements between foreign oil companies and host nations to refer to the removal of oil from the place of production for marketing expressed as a percentage of the total production from a specified location for a specified time period.	SOA MODIFIED MO&GT-7 <sup>TH</sup>	
OFFTAKE VOLUME	A term derived for the State of Alaska Division of Oil and Gas Royalty Report Instructions. This term refers to the royalty-bearing portion of any production from an Accounting Unit.	SOA	
OPERATOR - ACCOUNTING UNIT	The operator of an Accounting Unit which may be a lessee, a designated agent of the lessees, or holder of operating rights under an approved operating agreement.	SOA	
OPERATOR NAME	The name assigned by the reporting party to the particular entry required by the regulatory agency, and used primarily to assist the reporting party in relating their database to regulatory agencies.	REGS-60	
PARTICIPATING AREA	That part of a unit area to which production is allocated in the manner described in a unit agreement.	MO&GT-7 <sup>th</sup>	

TERM	DEFINITION	SOURCE	PIDD
PAYMENT	Monetary compensation for production sold from a state oil and gas lease.	SOA	
PHONE NUMBER	MASTER, INVOICE, & PIDD: Area code and telephone number.  COMPL: Area code and telephone number of the party to be contacted if the regulatory agency has any question(s) about a report or permit application.	REGS-65	P0007074
PREPARED BY	The name of the individual filing a report with a regulatory agency.	REGS-30	
PRIOR PRODUCTION MONTH	This refers to any previously reported 'Current Production Month'. It will always refer to past production or royalties and usually in the context of filing revisions.	SOA	
PRODUCT CODE	A code used to identify product(s) being reported.		
PRODUCTION MONTH	The month and year of the production being reported to the regulatory agency. (ALSO Production Date.)	REGS-72	
PRODUCTION STATUS	The specified status declared by an operator within an approved operating agreement that the operation, lease or unit is now producing quantities with the intent to be commercially sold.	SOA	
QUALITY BANK	The term applied to a provision of a tariff for pipeline transportation of petroleum to adjust for quality differentials. Under this provision the pipeline carrier establishes a "quality bank" to compute adjustments among all shippers for differences in the weighted average gravity of crude petroleum each shipper introduces into the system. The higher the weighted average gravity of crude petroleum, the greater is its value. Operation of the "quality bank" provides that a shipper who introduces high average gravity petroleum into the system, but as a result of commingling, receives lower gravity petroleum at delivery will be reimbursed for the difference, and that a shipper introducing low gravity petroleum, but receiving higher gravity crude, will be billed for the difference.	MO&GT-7 <sup>TH</sup>	



TERM	DEFINITION	SOURCE	PIDD
QUALITY MEASUREMENT	Information data element reported on the State of Alaska, Department of Natural Resources Royalty Valuation Report. May be used to further define or describe other quantities, values, or amounts reported by a lessee.	SOA	
QUANTITY	Data element for reporting volume on a State of Alaska, Royalty Operator or Royalty Valuation report.	SOA	
REPORT CODE	Descriptive data element reported on State of Alaska Royalty reports to distinguish between reporting data for oil products versus gas products.	SOA	
REPORT MONTH	Descriptive data element reported on State of Alaska Royalty reports (Operator, Valuation, or Payment Summary) to report the calendar month in which a report is being filed.	SOA	
REPORT TYPE	Descriptive data element reported on the State of Alaska Royalty reports that distinguishes it as an Operator, Valuation or Payment Summary type of report.	SOA	
REVISION NUMBER	Descriptive data element reported on each State of Alaska Royalty report (Operator, Valuation, or Payment Summary) as the sequential revision number that the report represents, beginning with '00' for the original or first filing of a report for a particular Production Month and/or Accounting Unit.	SOA	
RIK	Abbreviation for Royalty-In-Kind. SEE ALSO: ROYALTY-IN-KIND	PIDD	P0002456
ROYALTY	An interest in the oil and gas in place that entitles the holder to a specified fraction, in kind or in value, of the total production from the property, free of any expense of development and operation. The basic royalty interest is retained by the lessor of a mineral property in the original lease agreement.	NOGA-1989	
ROYALTY BEARING	Denotes that the volumes being reported are subject to provisions of a State of Alaska lease agreement for valuation and payment of royalties as compared to those volumes that are produced for which the State of Alaska is not paid a royalty percentage of the value received by a lessee.	SOA	

TERM	DEFINITION	SOURCE	PIDD
ROYALTY INTEREST/RATE	A right to oil and gas or minerals in place that entitles its owner to a specified fraction, in kind or in value, of the total production from the property, free of any expense of development and operation.	NOGA-1989	
ROYALTY-IN-KIND	The royalty owner exercises his royalty interest by taking his share of the products(s) produced and marketing them rather than receiving his royalty portion of the value by the company. Also referred to as "RIK".	PIDD	P0002456
ROYALTY-IN-VALUE	When an owner takes is working and/or royalty interest in oil or gas in dollars rather than "in-kind".	NOGA-1989	
SELLING ARRANGEMENT CODE	A unique code is assigned by the State to identify the different valuation methods (Selling Arrangements) under which a Product/Disposition/Allocation, or Contract (Sale) Quantity is valued for a participating lessee.	SOA	
STATE	The alpha name of each state.	REGS-88	
TAPS	Abbreviation for Trans Alaska Pipeline System.	MO&GT-7 <sup>TH</sup>	
TAPS AGREEMENT	The agreement entered into by several companies to design, construct, own, operate and maintain the pipeline system know as the Trans Alaska Pipeline System.	MO&GT-7 <sup>TH</sup>	
TOTAL PAYMENT	The combined subpayments of oil and gas royalties for a specified Product/Disposition.	SOA	
UNIT	The total area incorporated in a unitization agreement.	MO&GT-7 <sup>TH</sup>	
VALUE	The monetary equivalent placed on a specified quantity.	SOA	
VENTING OF GAS	The release of gas into the atmosphere.	MO&GT-7 <sup>TH</sup>	
WELLHEAD VALUE	The monetary compensation applied at the 'Christmas Tree' hardware on a well.	SOA	

TERM	DEFINITION	SOURCE	PIDD
WORKING INTEREST	Normally indicates gross working interest, unless the word net appears before the words working interest. The term working interest implies gross working interest, SEE ALSO: Net Working Interest	PIDD	P0002454
ZIP CODE	The U.S. Postal Service assigned code for a mail location.	REGS-118	
ZONE	The term was defined by the Seeligson Field Unit Agreement as "a stratigraphic interval containing one or more reservoirs."	MO&GT-7 <sup>TH</sup>	